

Question #3

In response to increased petroleum market volatility, Attorney General Eric Holder announced on April 21, 2011, the formation of a Financial Fraud Enforcement Task Force Working Group to focus specifically on fraud in the energy markets. Attorney General Holder announced that the Oil and Gas Price Fraud Working Group was to monitor oil and gas markets for potential violations of criminal or civil laws to safeguard against unlawful consumer harm. The Federal Trade Commission is part of this working group. I was pleased the Working Group was established, however I'm concerned that this group has done very little to undertake the necessary investigation into petroleum markets.

- Please describe the specific actions that the Oil and Gas Price Fraud Working Group has undertaken, including meetings of the Working Group, meetings with industry participants, investigations commenced, or any other action specific to the Working Group.
- Please describe the specific actions the Commission has taken as a member of the Working Group, and specific actions the Department of Justice asked the Commission to take as a member of the Working Group.
- Is the Working Group still active? If so, please describe the current and ongoing actions of the Working Group.

A: The Oil and Gas Price Fraud Working Group – comprising representatives of a number of federal agencies as well as officials from state attorney general offices – held its initial meeting on May 2, 2011, during last spring's petroleum and gasoline price increases. The meeting, held largely for the purposes of organization and establishing priorities, gave each agency an opportunity to share with the others its experience and expertise in the oil and gas sector. The Working Group met again on May 13 to discuss each member agency's ability to share information with other members, to explore ways in which each agency might inform the others about complaints from the public concerning oil and gas issues, and to review the relationship between crude oil price fluctuations and price developments in the retail market.¹⁰ Smaller sub-groups of agency officials met in ensuing weeks to discuss in greater detail the extent to which agencies can share information and to learn about one another's procedures for handling complaints from the public. On June 28, the overall Working Group met again to discuss investigations and enforcement actions by the member agencies – including the FTC's Petroleum Industry Practices and Pricing Investigation (discussed above in Answer #2) – and to get updates concerning information sharing and complaint handling.

The Commission has been active in the petroleum sector since the Working Group was organized and, to the extent possible, has kept other member agencies apprised of its activities. As discussed above in Answers #1 and #2, the FTC

¹⁰ The Working Group's focus on this last issue stemmed in part from Attorney General Holder's guidance in a May 6, 2011, memorandum to the group that "[i]f wholesale prices continue to decrease, fraud or manipulation must not be allowed to prevent price decreases from being passed on to consumers at the pump."

Bureau of Economics released its report on *Gasoline Price Changes and the Petroleum Industry: An Update* in September 2011, three months after the Commission announced the initiation of the Petroleum Industry Practices and Pricing Investigation. FTC staff have discussed those developments with Working Group colleagues. In addition, the Commission is conducting other, nonpublic investigations in the petroleum sector. Although it is not itself an investigative body, the Working Group has enhanced the possibilities for cooperative information-sharing among member agencies, and various agencies' investigations in the petroleum sector – including those by the FTC – may well benefit from information gleaned from the Working Group process.

The Working Group remains active: member agencies are ready to share relevant information to the extent permitted by laws and regulations, and there is ongoing discussion of complaint handling procedures. Following the recent appointment of a new Executive Director, we expect the Working Group to continue meeting periodically. Meanwhile, the FTC continues active pursuit of its Petroleum Industry Practices and Pricing Investigation as well as other discrete investigations.

Question #4

Federal Communications Chairman Julius Genachowski recently helped launch a new initiative called jobs4america. The goal is to create 100,000 new broadband-enabled contact center jobs over the next two years – many of which are coming back from overseas.

Q: What do you see as the FTC's role in helping to advance predictable policies that enable U.S. based contact centers to grow, thrive, and create more jobs here in America?

A: One core mission of the FTC is to promote competitiveness in the marketplace across all industries, including contact centers. We accomplish this goal through targeted law enforcement and balanced regulation, which are complemented by our consumer and business education and outreach. Contact centers, which provide in-bound and out-bound services to consumers using telemarketing, direct and electronic mail, messaging and other media to facilitate commerce, can be positively impacted by a range of the agency's work. For example, law enforcement action by the FTC challenging unfair or deceptive conduct by bad actors levels the competitive playing field, enabling legitimate actors to prosper and thrive. At the same time, certain types of regulatory initiatives, such as the Do Not Call Registry and other provisions of the Telemarketing Sales Rule, ensure that legitimate actors know how to abide by the law and do so in a way that instills consumer confidence and trust in the marketplace.